

FISCAL MEMORANDUM
SB 1924 – HB 1692

May 8, 2007

SUMMARY OF AMENDMENT (007087): Changes the definition of the word “project” as it applies to authorized investments of an industrial development corporation to include tourist attractions which may include convention center facilities related to a hotel with an aggregate public and private investment exceeding \$200,000,000.

FISCAL IMPACT OF ORIGINAL BILL:

MINIMAL

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease Local Govt. Revenues – Exceeds \$5,000,000/Permissive

Assumptions applied to amendment:

- A total investment of at least \$200,000,000 of which 80% is classified as real property and 20% is classified as personal property for property taxation purposes.
- A 40% classification rate for commercial real property.
- A 30% classification rate for commercial personal property.
- A tax rate of 7.47%.
- Based upon the assumptions noted above, due to the property tax exemption for property owned by Industrial Development Boards, local governments would experience a permissive decrease in property tax revenues exceeding \$5,000,000.
- Local governments would have the option of negotiating in-lieu of tax payments to recapture all or a portion of any lost property tax revenue.
- The industrial development board would be eligible to issue municipal bonds to finance such projects. Such issuance and the amount of such issuance would be permissive and cannot be quantified due to the lack of ability to forecast the decisions of local governments, local government entities and private developers involved in any such project.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James W. White, Executive Director

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